

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 081446

17  
ORIGIN EB-02

INFO OCT-01 ARA-02 ISO-00 /005 R

66618  
DRAFTED BY EB/OT/GCP:JEO'MAHONY  
APPROVED BY EB/OT/GCP:JEO'MAHONY  
----- 018643  
R 221904Z APR 74  
FM SECSTATE WASHDC  
TO AMEMBASSY SANTIAGO  
AMEMBASSY BUENOS AIRES

LIMITED OFFICIAL USE STATE 081446

PASS TO AMBASSADOR EBERLE'S GROUP

FOLLOWING TOKYO 5223 ACTION SECSTATE INFO ACCRA BOGOTA  
BRASILIA BUENOS AIRES CARACAS JAKARTA KINGSTON LAGOS KUALA  
LUMPUR LIMA MEXICO NEW DELHI EC BRUSSELS GENEVA USUN NEW YORK  
OECD PARIS APR 19TH.

QUOTE:

LIMITED OFFICIAL USE TOKYO 5223

DEPT PASS ALL OECD CAPITALS

E.O. 11652: NA  
TAGS: ETRD GATT JA  
SUBJ: INTERNATIONAL DISCIPLINE FOR SHORT SUPPLY ACTIONS

REF: STATE 74777

SUMMARY: EMBASSY HELD INFORMAL DISCUSSION ON REFTEL  
ISSUES WITH FONOFF OFFICIALS APR 17, EMPHASIZING  
PRELIMINARY NATURE OF USG THINKING. OFFICIALS INTER-  
PRETED EMBASSY APPROACH AS WELCOME SIGN OF INCREASED US  
AWARENESS OF IMPACT OF EXPORT RESTRICTIONS AND EXPRESSED  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 081446

INTEREST IN FURTHER INFORMAL EXCHANGES AS SOON AS THEY

HAVE HAD OPPORTUNITY TO STUDY ISSUES RAISED BY USG.  
RESPONSE, HOWEVER, NOT EXPECTED BEFORE OECD  
XCSS MEETING. END SUMMARY.

1. ECON/COUNS EXPLAINED REFTEL APPROACH TO GUIDELINES FOR  
DEALING WITH SHORT SUPPLY PROBLEMS AT INFORMAL MEETING  
WITH FONOFF OFFICIALS HEADED BY TESHIMA (ASSISTANT DG,  
ECONOMIC AFFAIRS BUREAU) AND INCLUDING THREE DIVISION  
DIRECTORS.

2. FONOFF REPRESENTATIVES REMARKED THAT THIS MATTER CURRENTLY  
UNDER DISCUSSION IN GATT AND IN OECD TRADE COMMITTEE WHERE,  
THEY SAID, IT AROSE FROM 1973 U.S. RESTRICTIONS ON  
SOYBEAN EXPORTS. FONOFF REPS INDICATED THEY PLEASED THAT US  
INCREASINGLY SENSITIVE TO IMPACT OF EXPORT CONTROLS, BUT  
REQUESTED CLARIFICATION ON HOW REFTEL STUDY FITS IN WITH GATT  
AND OECD DISCUSSIONS IN THIS AREA.

3. RESPONSES AT MEETING CONSISTED CHEIFLY OF QUESTIONS  
CONCERNING SUBSTANCE OF REFTEL PRESENTATION AND EXTENT  
OF CRYSTALIZATION OF USG THINKING. FONOFF WILL STUDY  
MATTER AND CONTINUE DIALOG ON INFORMAL BASIS. ONE FONOFF  
REP FELT STRONGLY THAT LDC'S HAVE DEVELOPED A DIFFERENT  
MENTALITY FROM INDUSTRIALIZED COUNTRIES ON COMMODITY  
SUPPLY ISSUES AND THAT PREMATURE DISCUSSION WITH LDC'S  
SHOULD BE AVOIDED. HE SUGGESTED GATT OR OECD (BELOW  
XCSS LEVEL) APPROPRIATE FOR PRELIMINARY  
EXCHANGES TO DEFINE THE ISSUES.

4. DURING COURSE OF DISCUSSION, FOLLOWING QUESTIONS AND POINTS  
WERE RAISED:

(A) DOES USG ENVISION GUIDELINES FOR INDUSTRIAL  
RAW MATERIALS ONLY, OR FOR FOOD AND MANUFACTURES AS WELL -  
AND FOR RESTRICTIONS APPLIED FOR POLITICAL AS WELL AS  
ECONOMIC REASONS?

(B) GUIDELINES SHOULD IMPOSE RESPONSIBILITY ON THE  
PRODUCER TO RESTRICT DOMESTIC CONSUMPTION SO AS NOT TO  
IMPOSE ENTIRE BURDEN OF SHORTAGE ON FOREIGN CONSUMERS.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 081446

(C) DEPENDING UPON TRADE PATTERNS SOME COMMODITIES  
MIGHT BEST BE ISOLATED FOR INDIVIDUAL CODES WHILE  
GENERAL AGREEMENTS AND GUIDELINES MIGHT WORK WELL FOR  
OTHERS. BILATERAL AGREEMENTS MIGHT BE EFFECTIVE FOR  
SOME ITEMS WHILE OTHERS WOULD REQUIRE MULTILATERAL  
TREATMENT.

(D) SHOULD THERE BE DISTINCTIONS BETWEEN RENEWABLE  
AND NON-RENEWABLE RESOURCES?

(E) SHOULD CONTROLS BE BASED ON EXISTING CONTRACTS  
OR TRADITIONAL PATTERNS OF PURCHASE? ONE FONOFF REP  
EXPRESSED PREFERENCE FOR LATTER METHOD IN ORDER TO  
DISCOURAGE SPECULATIVE CONTRACTING IN ANTICIPATION  
OF RESTRICTIONS.

(F) GOJ OFFICIALS GENERALLY SEEMED TO REGARD  
PRINCIPLE OF PRIOR CONSULTATION AS VITAL TO ESTABLISHMENT  
OF FAIR SYSTEM OF GUIDELINES. SHOESMITH  
UNQUOTE KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAW MATERIALS, EXPORT CONTROLS, MEETINGS, RESERVE SHORTAGE, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE081446  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JEO'MAHONY  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740094-0806  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740424/aaaaauzl.tel  
**Line Count:** 128  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 74777  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 APR 2002 by boyleja>; APPROVED <10 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INTERNATIONAL DISCIPLINE FOR SHORT SUPPLY ACTIONS  
**TAGS:** ETRD, US, JA, GATT, EEC, OECD  
**To:** SANTIAGO BUENOS AIRES  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005